

FOR IMMEDIATE RELEASE

STATS ChipPAC Reports Fourth Quarter and Full Year 2014 Results

Singapore – 29 January 2015 – STATS ChipPAC Ltd. (“STATS ChipPAC” or the “Company” – SGX-ST: STATSchP), a leading provider of advanced semiconductor packaging and test services, today announced results for the fourth quarter and full year 2014.

Tan Lay Koon, President and Chief Executive Officer of STATS ChipPAC, said, “Revenue for the fourth quarter of 2014 increased 0.7% to \$406.7 million from the third quarter of 2014. Fourth quarter came in better than our earlier guidance due to higher wireless communications revenue driven by new high-end smartphone ramps and stronger than seasonal demand in China lower tier smartphones.”

Adjusted EBITDA¹ in the fourth quarter of 2014 improved to \$96.7 million or 23.8% of revenue compared to \$90.2 million or 22.3% in the prior quarter and \$91.3 million or 23.1% in the fourth quarter of 2013. Net income for the fourth quarter of 2014 was \$3.5 million compared to net loss of \$5.3 million in the prior quarter and \$12.1 million in fourth quarter of 2013.

For the full year 2014, adjusted EBITDA¹ was \$353.4 million or 22.3% of revenue compared to \$392.4 million or 24.5% in 2013, and net loss was \$21.8 million compared to \$47.5 million in 2013.

Dennis Chia, Chief Financial Officer of STATS ChipPAC, said, “Gross margin for the fourth quarter of 2014 was higher at 12.1% compared to 11.8% in the prior quarter due to higher revenue and favorable mix change in the wireless communications business. Operating margin for the fourth quarter of 2014 was 3.1% of revenue compared to 3.6% in the prior quarter. Excluding the new factory construction in Korea, capital expenditure² for the fourth quarter was \$30.1 million or 7.4% of revenue. We ended fourth quarter of 2014 with cash, cash equivalents and bank deposits of \$185.2 million and debt of \$1,203.3 million compared to \$178.0 million and \$1,137.3 million at the end of third quarter of 2014.”

¹ Adjusted EBITDA is not required by, or presented in accordance with, Singapore Financial Reporting Standards (“FRS”). We define adjusted EBITDA as net income attributable to STATS ChipPAC Ltd. plus income tax expense, interest expense, net, depreciation and amortisation, restructuring charges, share-based compensation, asset impairment, tender offer, debt exchange or debt redemption expenses and write-off of debt issuance costs. Adjusted EBITDA excludes plant closure costs related to our Malaysia plant. We present adjusted EBITDA as a supplemental measure of our performance. Management believes the non-FRS financial measure is useful to investors in enabling them to perform additional analysis.

² Capital expenditure refers to acquisitions of production equipment, asset upgrades and infrastructure investments.



STATS ChipPAC Ltd.

Company Registration No.: 199407932D

Headquarters: 10 Ang Mo Kio Street 65, #05-17/20 Techpoint,
Singapore 569059

www.statschippac.com

Investor Conference Call / Live Audio Webcast Details

A conference call has been scheduled for 8:00 a.m. in Singapore on Friday, 30 January 2015. During the call, time will be set-aside for analysts and investors to ask questions of executive officers.

The call may be accessed by dialing +65-6823-2299. A live audio webcast of the conference call will be available on STATS ChipPAC's website at www.statschippac.com. A replay of the call will be available 2 hours after the live call through 14 February 2015 at www.statschippac.com and by telephone at 800-616-2127. The conference ID number to access the conference call and replay is 5322157.

Forward-looking Statements

Certain statements in this release are forward-looking statements that involve a number of risks and uncertainties that could cause actual results to differ materially from those described in this release. Factors that could cause actual results to differ include, but are not limited to, general business and economic conditions and the state of the semiconductor industry; prevailing market conditions; demand for end-use applications products such as communications equipment, consumer and multi-applications and personal computers; decisions by customers to discontinue outsourcing of test and packaging services; level of competition; our reliance on a small group of principal customers; our continued success in technological innovations; pricing pressures, including declines in average selling prices; intellectual property rights disputes and litigation; our ability to control operating expenses; our substantial level of indebtedness and access to credit markets; potential impairment charges; availability of financing; changes in our product mix; our capacity utilisation; delays in acquiring or installing new equipment; limitations imposed by our financing arrangements which may limit our ability to maintain and grow our business; returns from research and development investments; changes in customer order patterns; customer credit risks; disruption of our operations; shortages in supply of key components and disruption in supply chain; inability to consolidate our Malaysia operations into our China operations and uncertainty as to whether such plan will achieve the expected objectives and results; loss of key management or other personnel; defects or malfunctions in our testing equipment or packages; rescheduling or cancelling of customer orders; adverse tax and other financial consequences if the taxing authorities do not agree with our interpretation of the applicable tax laws; classification of our Company as a passive foreign investment company; our ability to develop and protect our intellectual property; changes in environmental laws and regulations; exchange rate fluctuations; regulatory approvals for further investments in our subsidiaries; majority ownership by Temasek Holdings (Private) Limited ("Temasek") that may result in conflicting interests with Temasek and our affiliates; unsuccessful acquisitions and investments in other companies and businesses; labour union problems in South Korea; uncertainties of conducting business in China and changes in laws, currency policy and political instability in other countries in Asia; natural calamities and disasters, including outbreaks of epidemics and communicable diseases; the continued trading and listing of our ordinary shares on the Singapore Exchange Securities Trading Limited ("SGX-ST"). You should not unduly rely on such statements. We do not intend, and do not assume any obligation, to update any forward-looking statements to reflect subsequent events or circumstances.

Basis of Preparation of Results

The financial statements included in this release have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

Our 52-53 week fiscal year ends on the Sunday nearest and prior to 31 December. Our fiscal quarters end on a Sunday and our fourth quarter of 2014 and year 2014 ended on 28 December 2014, while our



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third quarter of 2014, fourth quarter of 2013 and year 2013 ended on 28 September 2014, 29 December 2013 and 29 December 2013, respectively. References to "\$" are to the lawful currency of the United States of America.

About STATS ChipPAC Ltd.

STATS ChipPAC Ltd. (SGX-ST Code: S24) is a leading service provider of semiconductor packaging design, assembly, test and distribution solutions in diverse end market applications including communications, digital consumer and computing. With global headquarters in Singapore, STATS ChipPAC has design, research and development, manufacturing or customer support offices throughout Asia, the United States and Europe. STATS ChipPAC is listed on the SGX-ST. Further information is available at www.statschippac.com. Information contained in this website does not constitute a part of this release.

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STATS ChipPAC Ltd.
Consolidated Income Statement
(Unaudited)

	Three Months Ended		Twelve Months Ended	
	28 December	29 December	28 December	29 December
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Net revenues	406,674	395,020	1,585,834	1,598,522
Cost of revenues	(357,580)	(353,596)	(1,402,331)	(1,380,941)
Gross profit	49,094	41,424	183,503	217,581
Operating expenses:				
Selling, general and administrative	23,360	23,935	96,164	96,140
Research and development	8,927	10,502	39,200	46,432
Restructuring charges	4,319	1,886	4,319	1,886
Exchange offer and redemption expenses	—	—	—	15,701
Write-off of debt issuance costs	—	—	—	2,392
Operating expenses	36,606	36,323	139,683	162,551
Equipment impairment	—	—	3,713	—
Total operating expenses	36,606	36,323	143,396	162,551
Operating income before exceptional items	12,488	5,101	40,107	55,030
Plant closure costs	—	—	—	(36,909)
Flood related insurance settlement	—	—	—	19,582
Flood related plan charges	—	—	—	(3,000)
Operating income after exceptional items	12,488	5,101	40,107	34,703
Other income (expenses), net:				
Interest income	362	358	1,692	1,334
Interest expense	(13,500)	(12,918)	(51,432)	(54,459)
Foreign currency exchange gain	3,640	3,721	3,145	3,641
Other non-operating expenses, net	(785)	(1,994)	(547)	(1,969)
Total other expenses, net	(10,283)	(10,833)	(47,142)	(51,453)
Income (loss) before income taxes	2,205	(5,732)	(7,035)	(16,750)
Income tax benefit (expense)	3,419	(4,193)	(6,515)	(22,329)
Net income (loss)	5,624	(9,925)	(13,550)	(39,079)
Less: Net income attributable to the non-controlling interest	(2,139)	(2,147)	(8,245)	(8,414)
Net income (loss) attributable to STATS ChipPAC Ltd.	3,485	(12,072)	(21,795)	(47,493)
Net income (loss) per ordinary share attributable to STATS ChipPAC Ltd.:				
Basic	\$0.00	\$(0.01)	\$(0.01)	\$(0.02)
Diluted	\$0.00	\$(0.01)	\$(0.01)	\$(0.02)
Ordinary shares (in thousands) used in per ordinary share calculation:				
Basic and Diluted	2,202,218	2,202,218	2,202,218	2,202,218
Key Ratios and Information:				
Gross Margin	12.1%	10.5%	11.6%	13.6%
Operating Expenses as a % of Revenue	9.0%	9.2%	8.8%	10.2%
Operating Margin	3.1%	1.3%	2.8%	3.4%
Depreciation & Amortisation, including Amortisation of Debt Issuance Costs	80,927	84,434	318,034	308,564
Capital Expenditures	64,813	200,592	534,729	507,466



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STATS ChipPAC Ltd.
Consolidated Statement of Financial Position
(Unaudited)

	28 December 2014 \$'000	29 December 2013 \$'000
ASSETS		
Current assets:		
Cash and cash equivalents	117,456	129,136
Short-term bank deposits	66,054	42,042
Accounts receivable, net	238,684	238,441
Other receivables	29,479	15,239
Inventories	73,232	71,055
Prepaid expenses and other current assets	31,565	18,970
Total current assets	556,470	514,883
Non-current assets:		
Long-term bank deposits	1,659	11,604
Property, plant and equipment, net	1,637,195	1,431,247
Intangible assets	33,617	35,117
Goodwill	381,487	381,487
Deferred tax assets	100	186
Prepaid expenses and other non-current assets	3,306	3,146
Total non-current assets	2,057,364	1,862,787
Total assets	2,613,834	2,377,670
LIABILITIES		
Current liabilities:		
Accounts and other payables	198,076	138,004
Payables related to property, plant and equipment purchases	95,592	141,998
Accrued operating expenses	107,312	124,640
Income taxes payable	12,327	18,207
Short-term bank borrowings	212,597	37,947
Short-term amounts due to related parties	31	100
Total current liabilities	625,935	460,896
Non-current liabilities:		
Long-term borrowings	990,688	874,281
Deferred tax liabilities	38,689	47,476
Other non-current liabilities	16,079	24,228
Total non-current liabilities	1,045,456	945,985
Total liabilities	1,671,391	1,406,881
EQUITY		
Share capital	873,666	873,666
Retained earnings	29,683	51,478
Other reserves	(13,800)	(7,712)
Equity attributable to equity holders of STATS ChipPAC Ltd.	889,549	917,432
Non-controlling interest	52,894	53,357
Total equity	942,443	970,789
Total liabilities and equity	2,613,834	2,377,670



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STATS ChipPAC Ltd.
Other Supplemental Information
(Unaudited)

	4Q 2014	3Q 2014	4Q 2013
<u>Net Revenues by Product Line</u>			
Advanced Packaging ^{##}	47.9%	46.7%	47.8%
Wirebond Packaging	27.6%	30.4%	29.2%
Test	24.5%	22.9%	23.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<u>Net Revenues by End User Market</u>			
Communications	67.7%	65.5%	66.7%
Personal Computers	8.4%	8.1%	8.1%
Consumer, Multi-applications and Others	23.9%	26.4%	25.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<u>Net Revenues by Region</u>			
United States of America	68.0%	64.4%	67.3%
Asia	24.3%	26.6%	22.6%
Europe	7.7%	9.0%	10.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Number of Testers	880	968	959
Number of Wirebonders	3,512	3,682	4,088

^{##} Advanced Packaging includes flip-chip and wafer level packaging.



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